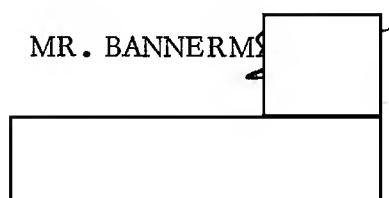


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INFORMATION

MR. BANNERM



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REGISTRY

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DD/S 68-0341

22 January 1968

MEMORANDUM FOR THE RECORD

SUBJECT: IG Survey of the Office of Finance

1. Colonel White called a meeting to discuss Recommendation #1 of the IG Survey of the Office of Finance. Mr. [redacted] Mr. John Clarke, Mr. Fuchs, and the undersigned were present (Mr. Bannerman was present at only the final few minutes of the discussion). Colonel White stated his desire to avoid useless expenditure of time in drafting new "charter" statements of the Office of Finance by this meeting.

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2. Colonel White's first point was that the existing mission, as stated in [redacted] is wrong in stating that the Director of Finance is responsible for "all financial operations of the Agency". Colonel White pointed out that he, as Comptroller, assisted by Mr. Clarke, is responsible for a considerable portion of the Agency's financial operations; for example, the allocation and reallocation of Agency resources. He contrasted these responsibilities with those of Mr. Fuchs whom he considers charged with administering the financial program after the broad decisions have been made — for accounting and for ensuring that the transactions are properly carried out. He agreed that Director of Finance is not responsible for determining the validity of Agency expenditures.

3. Colonel White's next point was to agree with the IG Survey thought (paragraph 5, page 6) that the bridge between financial operations and program planning — between OF and O/PPB — needs improvement.

He pointed specifically to the functions performed by Mr. [redacted] noting that these could be assigned either to PPB or to OF. Colonel White indicated an uncomfortable feeling that policy decisions were being made which either more properly should be made by him or about which he at least should be informed in advance. He said further that there should be more reporting from [redacted] office in advance of decisions and agreements committing the Agency. Finally, he indicated preference that some more formal arrangements between OF and O/PPB in this respect should be established.

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SECRET EYES ONLY

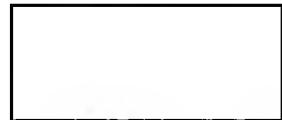
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4. The next point raised by Colonel White was financial analysis. He first indicated that OF should do more in the way of financial analysis and cost effectiveness. He noted (anticipating aloud that Mr. Fuchs might not like the sentiments) that OF has not done more in the past because it did not have adequate personnel and also because it lacked direction as to what was desired. He distinguished systems analysis, which he indicated OF could not do, and financial analysis. Mr. Fuchs pointed out that he had no worry in this regard because he did not consider himself responsible for anything more than prescribed for OF by Colonel White.

5. An extension of the financial analysis topic dealt with proprietaries on which it was agreed that OF should continue to have a wider role than with respect to other categories. Mr. Fuchs noted that the IG Survey on proprietaries had been helpful in this regard. Finally, it was agreed that there was a need for closer OF-O/PPB contact on the budgets of proprietaries.

6. Colonel White's final point was to express some reservations concerning OF Career Service assignees to O/PPB. He noted some experience during the last budget cycle which pointed to his feelings. Mr. Clarke commented that the functions performed by the OF Careerist are completely essential on the budget side. He also acknowledged that his line-up on the support side last year left something to be desired -- a situation which would not be repeated this year.



John W. Coffey
Assistant Deputy Director
for Support

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Distribution:

Orig - DD/S (DD/S Subject)
1 - DD/S Chrono Ref
1 - Director of Finance